

COMMITTEE ON LANDS AND BUILDINGS

August 29, 2005

5:30 PM

Chairman Thibault called the meeting to order.

The Clerk called the roll.

Present: Aldermen Thibault, Roy, Gatsas, Osborne, Porter

Messrs.: K. Edwards, W. Craig, P. Borek, T. Arnold, D. Anagnost, T. Bowen,
P. Tamposi, S. Hamilton

Chairman Thibault addressed Item 3 of the agenda:

Communication from Dick Dunfey, Secretary/Treasurer of the Manchester Housing and Redevelopment Corporation, seeking authorization to proceed with the acquisition of the Masters property located at 354 Hackett Hill Road at a negotiated price of \$275,000.00.

Alderman Gatsas stated I noticed there is a plot plan that I am looking at here and it says the Masters property at 354 Hackett Hill Road. Right next to it there seems to be another subject property. Who is that owned by?

Ken Edwards, MHRA, asked are you referring to the plan that you had in your packet.

Alderman Gatsas answered yes.

Mr. Edwards stated the Masters property is sandwiched between French Hall and another parcel that is part of the northwest business park project that runs from the Masters property along Hackett Hill Road all the way to the back of the condo units on Countryside Boulevard.

Alderman Gatsas asked so that is a piece that is also owned by MHRA.

Mr. Edwards responded it is.

Alderman Gatsas asked what is the proposed closing date for this.

Mr. Edwards answered the owner of the property spends about six months of the year in Arizona and would like to be gone this fall so I expect that with your approval we could move to closing within 60 days.

Alderman Gatsas asked is there anyway we can close it after the closing of French Hall so that the funds are there and we don't have to be moving money around.

Mr. Edwards replied the money for this has already been approved by the Board in February along with the first phase of the northwest business park or the implementation of the Master Plan. You approved a total of \$785,000 I believe. One of the line items in that approval was anticipated acquisition of this property.

Alderman Gatsas asked but we haven't dispersed those funds as of yet.

Mr. Edwards answered no.

Alderman Gatsas asked so is there a reason why we couldn't keep those as general fund dollars to do some other projects on the City side and wait until the close of French Hall and use those acquisition dollars to close your project or this project here.

Mr. Edwards responded I expect that French Hall might take a little longer to close than the owner would be willing to wait. He would like to leave as quickly as he can to get back to Arizona. He has purchased a home there now and wants to get out as quickly as possible. I suppose we could discuss that with him but I know his intent is to move as quickly as he can.

Alderman Gatsas stated 90 days and 60 days doesn't seem like it is that far away because we are looking at a 90-day closing from French Hall. Isn't there a 60-day closing on the Masters property?

Mr. Edwards replied approximately yes. He would like us to do it as quickly as we could. We have some due diligence...if you approve this we have some due diligence to take care of to make sure we have clear title and so forth but I would expect we could do that rather quickly. I would say 60 days is on the outset for that.

Atty. William Craig stated the title work should be in this week. It was ordered last week. To flip the coin a little bit, if the sale of French Hall is approved as recommended we will also try to close that as soon as possible believe me.

Alderman Gatsas stated my concern is that the \$275,000 can stay in the general fund dollars so that we can do some other projects that we have here so maybe that

can be deducted from the French Hall side. I don't have a problem with that but I think obviously if you have been reading the paper there are some problems with a lease and we are looking for some other avenues and maybe this is one of the other avenues we can find for some of that funding we are looking for.

Atty. Craig responded I suspect I speak for the Authority when I say we will use whatever efforts to scoff up all of the money we can as soon as possible.

Alderman Porter stated this particular property regardless of what the use of French Hall is or regardless of the outcome of French Hall is it not something that in essence would be fair to the City to purchase to get this individual out of the middle of two MHRA properties.

Mr. Edwards responded the intent was to eliminate the non-conforming use and to make that land available for future research park development. Those were the objectives.

Alderman Porter stated the other issue is always...I hearken back to my old days as an Assessor when properties are bought by a tax exempt entity that property will be taxable until next April 1 and some provision should be made to prorate the taxes through April 1. Have you considered that?

Mr. Edwards replied we always do. When we acquire property, within our agreement we prorate taxes as of the date of the sale.

Alderman Porter stated this came up on several occasions as Atty. Craig will remember back when the Folopoulos group was doing the Center of New Hampshire and it was always a bone of contention as to who was going to pay the taxes.

Alderman Porter moved to authorize MHRA to proceed with the acquisition of the Masters property located at 354 Hackett Hill Road at a negotiated price of \$275,000. Alderman Roy duly seconded the motion.

Chairman Thibault called for a vote. There being none opposed, the motion carried.

Chairman Thibault addressed Item 5 of the agenda:

Communication from Dick Dunfey, Secretary/Treasurer of the Manchester Housing and Redevelopment Corporation, advising that the Board of Trustees have approved a proposal from J P Sercel Associates, Inc. to

acquire (at \$1.3 million) and develop the French Hall property at Hackett Hill.

Alderman Roy stated I have some questions for Paul Borek. We had a brief conversation regarding this project and the scrutiny it has gone through. I would ask him to please summarize that for the Committee. Not only his part but maybe turn it over to Ken for the MHRA part.

Paul Borek, Economic Development Director, stated JPSA is a laser product research and development company engaged in laser production equipment for a variety of high tech and growing industries across the nation and with clients all across the nation and internationally. They are a for profit business and have been engaged in business for 14 years. JPSA's President, Jeff Sercel, who will join us shortly previously started and sold another laser company prior to JPSA. He and his company have numerous relationships with Southern NH Suppliers and Allied Industries. JPSA we believe could help attract other businesses to the Hackett Hill Business Park because of the relationships they have with other Southern NH companies. Laser applications include medicine, defense, and biometrics, as well as manufacturing. My understanding as indicated in the Hackett Hill redevelopment plan, the research park calls for building a long-term commercial tax base, providing employment opportunities, enhancing the competitive opportunities for business development within Manchester and developing and staying with a development vision that encompasses research and development, light manufacturing and corporate offices. JPSA has offered to pay the full asking price of \$1.3 million and they plan to fully utilize the 31,000 square feet of building immediately and significantly remodel it and have plans to expand it into the future. They will move 46 jobs immediately and also have plans to increase employment between 80 and 100 jobs. With that, I would like to turn it over to Ken Edwards to summarize on behalf of the Manchester Housing & Redevelopment Authority.

Mr. Edwards stated we really feel that this is the homerun we have been looking for. We had six proposals that were considered by our Board. This is the one that meets the criteria that has been established for the Northwest Business Park. This use is exactly what we need to kick-off and set the tone for that park. Being the first entity in is really significant we feel. Our Board voted unanimously to go forward with the proposal submitted by JPSA.

Alderman Gatsas asked can you explain to me...I assume we have the property on the market for an asking price.

Mr. Edwards answered yes we do.

Alderman Gatsas asked when somebody comes in and says I would like to make an offer do we tell them make your offer but we are waiting for five more individuals behind you before we submit them to our Board. How does this...I mean this is quite unusual that and I guess I don't know what the dates are that the offers have come in but just kind of reminiscing on my background in real estate that was 17 years in hand I question how you would have five offers at full price and one over the price. Something tells me that maybe the real estate market has finally caught up with French Hall and maybe we should have been asking more. Maybe you can explain this to me.

Mr. Edwards responded I will try, Alderman. I think probably the thing that I could say first is that this is not a conventional real estate transaction. When we put this property on the market it was with specific objectives in mind and we were taking proposals on behalf of the City that were based on not just price but use, employment opportunities, tax base, investment in the property, future expansion capabilities...all of those things entered into the picture and because we had all of that to consider we were getting offers and we were considering everyone. Until we had all of the information that I just described from each of the developers we did not bring those proposals to our Board for consideration. Once we had the information, we brought them all in. We did make some wait so that we could have everybody that was interested. The last time if you recall we brought a selected firm to the Board and there was another proposal floating, which we hadn't heard until the very last minute and we were directed to go back and give those and any others an opportunity to present a proposal. That is what we did.

Alderman Gatsas replied I guess the last time you were in here...I don't know if you called it a homerun but you called it the best deal. Tonight this is a homerun. I just hope it hits the foul pole and doesn't drift foul before it gets to the foul pole because I think this Board is going to get very anxious if all of the sudden we have two strikes.

Mr. Edwards responded we absolutely agree. We are doing the best we can but these are real estate transactions. This developer will have an opportunity for due diligence. We don't think that there is going to be a problem. We are going to ask him to sign a land disposition agreement, which commits him to a schedule for improvements, a value for improvements, and a set of architectural plans so that we know exactly what he is going to do with the property. Once he meets all of those criteria, we will close but we won't until he does that and at the end of the development he will be issued a certificate of completion.

Alderman Gatsas asked so what you are saying to me is I am looking here at the size of the building and it says existing 31,000 square feet plus expansion to

100,000 so I assume that is an expansion of 69,000 square feet on the property within five years and what you are saying to me is that is what is going to be completed on the property or are you saying to me that it may be there.

Mr. Edwards answered what I am saying is what he has committed to do is purchase the building, to rehabilitate the entire building, bring 46 employees to Manchester and that is what we will hold him to. He has further stated that he intends to develop the property up to a maximum of 100,000 square feet over five years. Because he is an end user and not a developer who is leasing space we felt comfortable committing the property to him under those conditions without a guarantee that he would go to 100,000 square feet in five years.

Alderman Gatsas asked so what you are saying is that he could stay at 31,000 square feet for the next 40 years.

Mr. Edwards answered he could but it is very unlikely based on the business.

Alderman Gatsas responded you don't have that crystal ball. All you can say is that it is 31,000 square feet and it is an investment in the purchase price of \$2.6 million so when I look at the offering prices and the amenities that they are talking about there are some at \$6 million and some at \$5 million and some at \$4 million and he is at \$2.6 million without any guarantee to the City that anything but the 31,000 square feet is going to be used?

Mr. Edwards replied that is correct.

Mr. Borek stated his business is growing at a rate such that he anticipates the need for additional building space and he is projecting from his business plans but of course that is subject to market conditions.

Alderman Gatsas moved to approve the \$1.3 million asking price with \$275,000 of that \$1.3 million coming back to the City.

Chairman Thibault asked what is that now.

Alderman Gatsas answered the Masters property has \$275,000. Because we are talking about the possibility of this not closing beforehand then the \$275,000 that we as a City have allocated towards that, that \$275,000 should come from that purchase price and come back to the City so that we can look at other projects.

Mr. Edwards stated that wasn't the intent of the money to be generated from that project. It was to further the development of the Northwest Business Park. The

proceeds from the land sales were supposed to go toward the infrastructure improvements required to support the additional development.

Alderman Gatsas responded I think that is wonderful but I think that certainly the taxpayers of this City when they gave you the \$275,000 or the \$700,000 in the beginning the sale of French Hall really wasn't on the horizon for the development of Hackett Hill. Now that French Hall is there I think we should take the \$275,000 back. I could even push to get the \$700,000 back so that we could look at other things that we would like to do within the City and let the merits of Hackett Hill stand on their own.

Alderman Forest stated on that proposal I have a question for Finance or the Solicitor about that money. For what I understand that money is to be used for development of the park. I don't think we would be able to get it back to use for other things. I would like somebody to ask Finance or the City Solicitor on that.

Chairman Thibault stated there is nobody here from Finance. There was no second to the motion.

Alderman Roy stated while I do agree with Alderman Gatsas and I would like to see the money going back to the taxpayer the money that we are putting into this long-term plan and the money that the full Board has voted on a number of times to put into our long-range plans for that area will help the taxpayers.

Alderman Roy moved to accept the letter of intent and authorize MHRA to proceed with the sale. Alderman Porter duly seconded the motion.

Chairman Thibault called for a vote. Alderman Gatsas requested a roll call vote.

Alderman Osborne asked shouldn't we wait to find out what we can and can't do.

Chairman Thibault stated we are trying to press them to get this done as quick as possible and now you want to hold them back.

Alderman Lopez stated I think the point is and correct me if I am wrong Mr. Edwards but the agreement that we have with MHRA is for \$785,000, which is for the development and we still hold the account. I think the \$275,000 that you are paying for the house goes back into our account and you have to ask for it back. I think that was the agreement. The \$785,000 is the only agreement that we gave you.

Mr. Edwards responded your approval of Phase I of the implementation of the Master Plan anticipated costs associated with beginning that process. One of those

costs...there were administrative costs, design and engineering costs and acquisition costs. Those were line items identified in that budget totaling \$785,000. That money was dedicated to the Northwest Business Park and this is one of those expenses that we are recommending that you incur in order to get this project moving.

Alderman Lopez replied I agree with everything you said but I was curious about the \$275,000 for the house that you want to buy. Was that in there? I don't recall that.

Mr. Edwards responded it was. It was a \$300,000 line item for acquisition. We were able to negotiate the price down slightly.

Alderman Gatsas stated Mr. Edwards and maybe I was incorrect asking for \$275,000. I think the \$785,000 was given to MHRA to develop the Hackett Hill project without any idea that French Hall was going to be sold because we were saying you needed advertising costs and everything else. I think the taxpayers put that \$785,000 up. The sale is there and that money should come back to the City. Maybe I will correct that \$275,000 and my motion should be \$785,000 and if people want to think that you can develop it...I think you have the ability of coming back to this Board and that leaves you with \$600,000 roughly or \$515,000 to develop the park and if you need more money you should come back to this full Board. You shouldn't just have a kitty of money as we are selling along that you put into the pool. I don't think that should happen. I think that the taxpayers of this City are entitled to understand what is going on and maybe you need to give us an accounting of what has happened at Hackett Hill and where some of that \$785,000 has been spent because it has been over a year hasn't it?

Mr. Edwards responded no it was approved in February of this year.

Alderman Gatsas replied well maybe we need an accounting for what you spent for advertising on the \$785,000 since February.

Alderman Roy stated this goes in front of the full Board next week correct. At that time I would like if Ken could because I am sure this will be a discussion at that time propose giving Alderman Gatsas an accounting at that meeting.

Chairman Thibault called for a vote on the motion to accept the letter of intent and authorize MHRA to proceed with the sale of French Hall at a cost of \$1.3 million. Alderman Gatsas requested a roll call vote. Aldermen Roy, Porter and Thibault voted yea. Aldermen Gatsas and Osborne voted nay. The motion carried.

Chairman Thibault addressed Item 5 of the agenda:

Communication from Thomas Bowen, Water Works Director, advising of a request from Dick Anagnost of Anagnost Companies, Inc. and Dick Dunfey of MHRA to purchase 16+/- acres of property at fair market value on Karatzas Avenue for the purpose of constructing additional “workforce housing”.

Dick Anagnost stated with me is Dick Webster from Manchester Housing and Mr. Bowen. The parcel that we are speaking about if I can just approach Mr. Chairman. Please pass that map down. It is parcel 551-13, which is currently owned by Water Works. It has frontage on Old Wellington Road and Karatzas Avenue. It is approximately somewhere between 14 and 16 acres. The Water Works Department has put out an RFP for a surveyor to come in and determine exactly the size of the property. It is currently zoned R-SM, which is the multi-family district zoning. It is located very close to the project that we just previously joint ventured with MHRA on, which is the Old Wellington Road apartments, which is the parcel that the City of Manchester sold us. That parcel on this map is 645-10 and is located on the lower left hand side. That is nearing completion. The first building is up and completely occupied at 36 units. The next building comes on in the first of September and the final building by the 30th of September. We are looking to perpetuate the partnership that we currently have and to continue progressing forward with some workforce housing on this site. Tom can speak more to this than I but there is a process that Manchester Water Works went through and determined that it was surplus to them and we need to come to the full Board of Mayor and Aldermen in order to get approval to move forward with a purchase and sales agreement. I don't know which letters were submitted but the Housing Authority and I as a joint private/public partnership would propose to pay fair market value. The Water Works would be in charge of getting an appraisal that determined what that fair market value is and also determining the amount of the parcel whether it be 14 or 16 acres to be sold. We would propose a deed restriction in the parcel just as we did on Old Wellington Road to keep it workforce housing going through and perpetuate workforce housing into perpetuity. The partnership would be the same as Old Wellington Road in which Manchester Housing participated 50% and Anagnost Companies participated 50%. Would you gentlemen like to add anything?

Thomas Bowen, Water Works Director, stated Water Works involvement in this is obvious in that it is a parcel that Water Works has owned since about 1925. It was purchased as a potential site for another water storage facility, however, it was never constructed. We have done a review of our needs going out into the foreseeable future and determined that it is surplus to our needs. There was a similar determination of this in 1980, however, for some reason the parcel was never sold. The site is not critical to our needs or scheduled for any use.

Alderman Roy stated I have a question for the Solicitor. Proceeds from the sale would go to what fund?

Deputy Solicitor Arnold responded I believe they go to the account that is for one-time receipts. That is probably a more appropriate question for Finance but since it is the sale of property I believe it goes to the one-time fund.

Alderman Roy asked Tom do you agree with that.

Mr. Bowen answered no. There is an RSA and I can't quote it but it says that proceeds from the sale of Water Works property do stay within Water Works. The property was purchased with revenues from the sale of water.

Alderman Roy asked, Tom, any proceeds that come back to Water Works effect water rates for the citizens of Manchester.

Mr. Bowen answered yes. Well all of our customers actually, not just those in Manchester.

Alderman Roy asked so it does get returned or keeps rates lower.

Mr. Bowen answered right. Basically it is our intention and we had talked about this generally with the Board. What we would like to do is set aside a certain portion of the funds and the appraisals haven't been done so we don't really know what that amount is at this point, as a reserve for the purchase of other more critical watershed land. Right now that fund does not exist and we would like to put some money in there. The balance of it would be used for capital improvements in the system. We have a 5 and 10 year CIP that is in need of funding and we will defray future water rate increases.

Alderman Gatsas asked Mr. Anagnost are you an abutter of this land.

Mr. Anagnost answered yes I am. I own parcel 551-7, which is located here at the top. Also, this is the Eastern Avenue apartments here.

Alderman Gatsas asked so the direct abutter is the top piece. What is that?

Mr. Anagnost answered 551-7 is a vacant parcel of land.

Alderman Gatsas asked is there a reason why Water Works is coming to this Board to ask us to approve the sale without knowing what the sales price is going to be.

Mr. Bowen answered the request was to do it at fair market value. Our Board has approved it. It has to go back to the Water Board once the appraisals and the negotiations are completed. We need Board of Mayor and Alderman approval in order to sell this parcel to anyone other than at a public auction or a public sale. That is one reason we are doing this at this time.

Alderman Gatsas responded the last time that this Committee approved of a sale on Wellington Road at fair market value was \$660,000 when this Alderman thought it was worth at least a minimum of \$900,000 to \$1,000,000. Correct me if I am wrong but the final purchase price was \$1.2 million.

Mr. Anagnost replied \$1,214,000.

Alderman Gatsas stated so I was even a little bit low on my calculations so before this Alderman can make a judgement on whether it is surplus I certainly would like somebody to weigh in and tell me how many units can go there.

Mr. Bowen responded it is our intention that that would all be part of the appraisal process, which will be underway as soon as we get approval from the Board to proceed with the private/public partnership for workforce housing. Now maybe what we could do would be to bring the actual sales agreement back into this Board as we will the Water Board before it is completed but there are actually two approvals that are needed to proceed with this.

Alderman Gatsas stated I have a real problem that you are asking this Committee to approve of a sale not knowing what the value is because that appraisal that may come in at fair market value may be \$1 million and I may say I don't think that is fair market value and you have already got an agreement and we don't have a say on whether that price can change because you have an appraisal that says that is fair market value.

Mr. Anagnost asked Alderman Gatsas doesn't that get solved by us bringing it back to you once the appraisals have been completed. It is my understanding from Mr. Bowen that we need this Committee and the Board's approval to progress forward so we can get an RFP for the appraisal and all of the other stuff that we need. Does it satisfy you that if you gave that approval to at least progress forward to getting the appraisals and that sort of thing, bring the agreement back to you for ratification as a contingency of that contract?

Alderman Gatsas responded that is not what this says. That is not what we have before us. What we have before us says that we are deeming it as surplus and from there you can enter into a fair market value appraisal basis on value.

Mr. Anagnost replied what Mr. Bowen just said and what I and the Housing Authority is willing to agree to is that we place a contingency in that contract that whatever that price is it is subject to this Committee and the full Board's ratification and approval.

Alderman Gatsas responded if that is what you are going to bring forward to us then I don't have a problem looking at that.

Mr. Bowen replied it was our intention that we were going to bring that final agreement back to the Water Board for their approval anyway. I don't have an objection to bringing it back to this Committee.

Mr. Anagnost stated neither do we.

Alderman Gatsas stated maybe Water Works should take a second look seeing that you have a pretty healthy project that is in process that you have increased rates some 15% over the course of the last two years to accommodate that because we passed some legislation to help you out not to have to go to the PUC for rate increases less than 18%. I would think that maybe some of that revenue that you will be receiving from this property is for a rate reduction. I think maybe your Board may take a look at that and look at Water Works at least within the City and the whole community that participates with Manchester Water Works and maybe some of those proceeds can go in to reducing water rates because I think right now all utility rates for all homeowners are getting out of hand. Maybe it would be a nice gesture if Manchester Water Works would consider that.

Alderman Porter stated I have a couple of concerns. The impact of apartments on our schools. I don't know exactly what the impact fee would be on a per unit basis. I can't recall that off the top of my head. I had heard, and correct me if I am wrong, but 150 to 200 units.

Mr. Anagnost responded it is possible. We need to determine exactly how much acreage and above all we have to figure out where the gas line easements and there are a number of easements on this property that need to be deducted out. Once we have the survey in hand, which is part of what Mr. Bowen is getting, then I will be able to give you a better determination of exactly where that is.

Alderman Porter asked how many units are presently occupied at 495.

Mr. Anagnost answered all 36.

Alderman Porter stated I spoke with the principal of Weston School and this is just one of the schools in the area. As of today, she has received 14 new registrations from the 36 units. She anticipates there could be more.

Mr. Anagnost responded there are actually 19 children in that building. The actual headcount is 19.

Alderman Porter replied and at this point 14 of them are going to one school. My point being this, that is about half a class. If we talk about 36 times let say 180 units we are looking at an additional 70 students. We could be talking between this development and the other four classrooms at Weston School alone. I certainly hope we don't revert back to the old days of the portables after we have spent \$105 million to renovate our schools with the hope of eliminating them. The other area of concern that I do have is that the procedure...we just went through a procedure with French Hall. There were five people who were interested in purchasing it. Are we satisfying and I guess this is a question for the City Solicitor, are we satisfying Section 34.21 of the City Code of Ordinances.

Deputy Solicitor Arnold responded I am looking at it now.

Alderman Porter stated I certainly can't sit here and say that the best interest for the City is to put up 150 to 200 units, which is going to burden our school system and the revenues we get from the tax base that is generated will be more than offset with the number of students we have to educate. This is a concern.

Alderman Gatsas stated just to refresh my colleague's memory from Ward 6, I had those same concerns on a couple of other projects but this Committee saw fit that we would negotiate directly with an abutter.

Alderman Porter replied I know that has always been for years under certain circumstances that we do but I don't think we made a hard and fast rule that in all cases it goes to the abutter. I think abutters in a lot of cases would be the only logical buyer but I don't know that this is necessarily the case with this particular piece of land.

Alderman Gatsas responded the two transactions were very large transactions. The 36 units that you are talking about on Wellington Road was specifically one.

Alderman Porter replied and I voted no.

Alderman Gatsas responded okay. Can somebody refresh my memory on where the second one was?

Mr. Anagnost stated it was the garage to 1000 Elm Street.

Alderman Gatsas stated and I think you voted yes on that one, Alderman Porter. I don't have a problem refreshing my colleague's memory either.

Alderman Roy stated through the discussion of the property itself I think we are losing focus on the fact that workforce housing is a definite lack in the City as well as the state. We have a tried and true partnership with Anagnost Companies. Water Works has deemed this property surplus. It has been looked at for high school sites. It has been looked at for City garages. It has been looked at for MTA sites. Highway did a very involved analysis of that property when they were looking for a site to relocate the Highway garage. Again, we are sitting on non-taxable property. I think we have a tried and true partnership with Anagnost Properties. We have a definite need for workforce housing. Fair market value – the appraiser will include the arms length transaction, which you paid \$1.214 million for. I think we go forward with the stipulation that the purchase and sales comes back to this Committee and/or the full Board and move this along.

Alderman Roy moved to authorize the Water Works Director to enter into an agreement with Anagnost Companies and MHRA for the purchase of property on Karatzas Avenue with the stipulation that the purchase and sales agreement come back to the Committee on Lands and Buildings for approval.

Alderman Gatsas asked does that include that before that arms length transaction happens that if the appraiser comes back at a number that we don't think is reasonable because I am looking at a number and saying if there are 200 units going there I would think that appraisal is going to be, and I don't know but with 16 acres it would seem that you would have somewhere in the vicinity of 320 units, which is just about double the size of what we had on the other piece...

Mr. Anagnost interjected we had 90 units on 9+ acres.

Alderman Gatsas responded right but on ledge.

Mr. Anagnost replied this is all ledge too. The sites are almost identical with respect to their...

Alderman Gatsas interjected so with \$20,000/unit I would say that we are...I don't know what the appraisal number is going to come in as.

Mr. Anagnost stated I don't have any specific information. I have to find out where the boundaries truly are and whether it is 14 or 16 acres and then we can make that determination. It is kind of preliminary to that point. Yes, Alderman

Roy is correct that the most natural comparison is the \$1.2 million piece right across the street from it.

Chairman Thibault stated so nothing will be binding until they come back to this Committee and the full Board.

Alderman Gatsas asked so all we are doing is approving Water Works to go out for an RFP for a value.

Alderman Roy answered no.

Mr. Anagnost stated no also to enter into an agreement that is subject to the ratification of this Board. If you say no because you don't like the price, then the agreement goes away. I don't have a problem putting that contingency in there, Alderman Gatsas.

Alderman Roy asked could the Clerk read the motion.

Clerk Thibault stated we don't have a second to the motion.

Alderman Gatsas duly seconded the motion.

Clerk Thibault stated the motion is to allow Water Works to proceed with an RFP and enter into an agreement with Anagnost Companies and MHRA for the purchase of property on Karatzas Avenue subject to the Committee on Lands and Buildings and the Board of Mayor and Aldermen finding the property surplus to City needs and agreeing on the purchase price.

Chairman Thibault called for a vote on the motion. Alderman Roy requested a roll call vote. Aldermen Roy, Gatsas and Thibault voted yea. Aldermen Osborne and Porter voted nay. The motion carried.

Chairman Thibault addressed Item 6 of the agenda:

Communication from Ken Edwards, MHRA Assistant Executive Director, responding to the Committee's request of June 28th relating to Fisher Cats parking at the former JacPac site.

Alderman Roy stated Ken you gave us a letter. Can you bring the Committee and the public up to speed?

Mr. Edwards stated back in July I believe we brought for your approval an arrangement that we had negotiated with CMC for parking at the JacPac site and I

believe Alderman Gatsas asked us to explore the possibility of using the JacPac site for Fisher Cats parking suggesting that people were parking at the site and walking along the riverwalk into the ballpark. After the meeting we examined the site and took the pictures that were included in the letter that we prepared back in July to illustrate that the JacPac site is secure and there is fence all around. In addition to that, Chinburg has installed gates at both ends of his construction site across the riverwalk so there is no opportunity for people to park there and walk to the ballgame. I also alluded to a discussion that occurred back prior to the start of the baseball season where the Traffic Department and Highway and Police and Bill Jabjiniak and MTA met to discuss the possibility of using JacPac for overflow parking and they decided to take a wait and see attitude and concluded that it wasn't necessary. I think that is the status. They still don't feel that there is a need to consider the JacPac site for ballpark parking.

Alderman Gatsas stated I am sure and maybe it is not for this Committee and maybe when Alderman Lopez calls a meeting of the Baseball Committee I can ask the question but why has the riverwalk been closed off.

Mr. Edwards responded because it would give someone access directly to the Chinburg construction site.

Alderman Gatsas asked the \$185,000 that is being received from Catholic Medical Center on their lease that this Committee approved a few months ago is going to the JacPac fund.

Mr. Edwards answered yes.

Alderman Gatsas stated I think that was as a Board approved \$500,000...

Mr. Edwards interjected I believe that is about right.

Alderman Gatsas stated to go in for the maintenance of the JacPac property.

Mr. Edwards responded that is correct.

Alderman Gatsas stated I think maybe I need to send a memo to the full Board that we receive that \$185,000 back because I don't think we appropriated \$685,000. We appropriated \$500,000 and seeing that you have a revenue source that is coming in that should come back to the taxpayers also so that we can look for some other projects to work on and then have you come back to this full Board for additional funds. I don't think that we should continually, because you were so aggressive in finding a good tenant for the parking, that we should add to that JacPac dollar amount when the Board's full assessment was \$500,000 and

\$185,000 should come back. With the \$785,000 we are pretty close to \$1 million. We might be able to put some more police officers on the streets.

Mr. Edwards responded that would be fine. That is up to the Board. Whatever they feel is an appropriate use for that money. We have incurred expenses with regard to JacPac that are being charged against that initial sum and this additional revenue can stay in that account for whatever the Board of Mayor and Aldermen would choose to use it for. Just to caution, that \$185,000 is contingent upon their staying for the entire lease period and they are actually proceeding with the construction of their new garage and office building, which hasn't occurred yet. Right now they are just paying us that holding fee to reserve the parking for us, which I think is \$1,570/month or something like that.

Alderman Gatsas asked so the fee they are paying is \$1,570 for how long.

Mr. Edwards answered that is a reserve in order to hold the parking for them until construction starts on their new facility. I think they have until March of next year to start construction. If they don't, then we have the right to either renegotiate or terminate the arrangement.

Alderman Gatsas moved to receive and file. Alderman Roy duly seconded the motion. Chairman Thibault called for a vote. The motion carried with Alderman Porter being duly recorded in opposition.

Chairman Thibault addressed Item 7 of the agenda:

Communication from Atty. Peter Tamposi, on behalf of Richard Exline, requesting the conveyance of Parcel "A" and termination of an access easement.

Clerk Thibault noted that a communication from Frank Thomas regarding this item was distributed to Committee members on Friday and this evening a communication from Ron Ludwig of Parks & Recreation was distributed.

Alderman Porter stated this item came up in April and Parks & Recreation had some concerns with this as do I. There are other abutters along Groveland Street and I would like to move that we receive and file this communication.

Alderman Roy duly seconded the motion to receive and file.

Alderman Gatsas stated I guess I will let them plead their case. We let everyone else.

Peter Tamposi, Attorney, stated I represent Mr. Exline. I understand that the Aldermen have some concern about the abutter but I have to say that the abutter has not made his request known to us of his interest in purchasing this property. Mr. Exline began this process back in December of last year when the Parks & Recreation Department asked him to survey the property as well as the City property that we were seeking conveyance of. The Department of Highway subsequently asked us to undertake some engineering as well, both on Mr. Exline's property as well as the right-of-way by Candia Road. In the process Mr. Exline has spent over \$20,000 in engineering fees to provide the information requested by the City and as the Board will note on August 25 the Department of Highway issued a report favorable to the transfer of the property. Now this abutter has not made a formal request to this Board as I am aware of. He is, I believe, not here tonight. I don't think he spent the time and money that Mr. Exline has spent in engineering this property seeking this conveyance. I note that surveying the property was very difficult because of the right-of-way of Candia Road and Mr. Exline has literally gone through three engineers in the process. I think he is willing to share that information with the Department of Highway when the Candia Road widening occurs or continues. He has really undertaken a good faith effort to do everything he can to try to go through all of the levels to try to get this transfer approved. I will also note that there are two things we seek. We seek a termination of the right-of-way, as well as the lot line adjustment. I don't think anybody is opposed to the termination of the right-of-way. The right-of-way serves no purpose as the City has plenty of access as noted by the Department of Highway. The City has plenty of access to the property behind Mr. Exline's property so the termination of the right-of-way I think...the right-of-way itself has no effect other than to hinder Mr. Exline's ability to develop this property. It is also noted that with further widening of Candia Road it is probably likely that the City is going to have to take some additional land owned by Mr. Exline. He is willing to be agreeable in that process but he would see the termination of the right-of-way, as well as the lot line adjustment. We are only talking about .23 acre so less than $\frac{1}{4}$ of an acre.

Chairman Thibault asked Alderman Porter in the process normally when you are going to get rid of land like that and there are abutters what is your normal procedure. Do they have to notify everybody that owns property?

Alderman Porter answered the Assessors don't make that determination. That would be made by either this Committee or the Board. The Assessors don't have anything to do with the actual marketing of property.

Chairman Thibault asked how about notification to the property owners in that area. Don't they all have to be notified?

Alderman Porter answered that is a legal question. I would think out of courtesy they should be and I don't think that the abutter would have any obligation to contact Mr. Exline's attorney if they are interested. I don't think that is at issue at all. As I recall this was not deemed surplus and Parks & Recreation voiced their opinion against selling this to anybody.

Alderman Osborne asked Mr. Arnold I am reading here from the City Clerk's Office that this was "not found surplus to City needs." What are they saying here?

Deputy Solicitor Arnold stated I believe that was the prior determination.

Alderman Osborne stated this is dated August 10, 2005.

Chairman Thibault asked who wrote that letter.

Alderman Osborne answered it came from the City Clerk's Office.

Atty. Tamposi stated if I may address that the City Clerk's Office did write that letter back in August but I believe they were referring to the minutes of the Committee back in January 2005. I agree that they did not directly find this property surplus to City needs but I will quote from the minutes Ron Ludwig of the Parks & Recreation Department said "we looked at this particular piece and given the configuration of the small parcel, there is like a little flag or tail on the end that kind of weighed into our decision to say that we could probably recommend it as surplus." He went on to say, "however we perhaps might look at other alternatives such as a minor lot line adjustment." There was no recommendation that I saw in the minutes that it was definitely not surplus property. It seemed like an exercise in equivocation to me. To address Alderman Porter's concerns, if this abutter is interested in purchasing the property we would be happy to have them be part of the process. If they want to make a bid, we will make a bid. We don't want to freeze anybody out.

Alderman Gatsas stated Mr. Tamposi if memory serves me right when I remember looking at this picture some six months ago and it has been sitting on the table for awhile, there was a building encroachment on both sides.

Atty. Tamposi responded that is correct Sir. There is a building encroachment on the City's property as well as on the neighbor's property. We have been in communication with the neighbor and we are not concerned about that. We are concentrating on reaching an agreement for a minor lot line adjustment there as well.

Alderman Gatsas asked the encroachment on the City side, how long has that been there.

Atty. Tamposi answered that has been there since the prior owner pulled a building permit in 1975 and put the shed there with the City's approval apparently.

Alderman Roy stated with all due respect to Atty. Tamposi and the homeowner my concerns have remained the same. This hasn't been deemed surplus and even though it is a small property the only access from the Candia Road side is the piece of property we are discussing. If anything was to ever go there that would tie it to the abutting Youngsville Park the only access would be through Groveland and through the residential neighborhood. While I know that is not something that the homeowner or the attorney would like to hear, I still don't believe that this access should be deemed surplus.

Alderman Osborne asked is there anybody here from the Assessor's Office.

Chairman Thibault answered Mr. Hamilton is here.

Alderman Osborne asked what did Mr. Tellier, when I asked him back then so what would correcting both of these involved he answered actually you are only correcting the City's portion of the encroachment. What did he mean by that?

Stephan Hamilton, Assessor, replied I wasn't privy to that discussion and I am not sure what he was talking about. Mr. Tellier was here at that point in time.

Alderman Osborne responded I understand that but I thought you might know what he was talking about. He said, "the other portion of the encroachment is on private property. That is a problem for his neighbor and I don't believe it would affect the City at all."

Mr. Hamilton replied again I have no knowledge of what he meant by those statements.

Atty. Tamposi stated we can answer that question. We can show a map that would demonstrate exactly where the encroachment is. This is Joe Whichert a land surveyor hired by Mr. Exline.

Joe Whichert stated the reason I am here is we prepared the survey plan for Mr. Exline. What ends up happening just to address Alderman Roy's concern is the City owns currently four properties – Tax Map 492, Lots 12, 16, 18A and 20. As the Alderman pointed out those have direct access on to Groveland and don't go through Candia Road. The only thing I think that is probably worth pointing out is

although the City has an access easement across Candia Road the owner would still have the fee interest. It is only 20' and it currently goes across his driveway so the capability of expanding that would probably be limited.

Alderman Porter stated I think the one important issue here is that it is Parks & Recreation land and they have expressed that we should not sell it.

Chairman Thibault responded I think that is going to have to be satisfied before we make any decision.

Atty. Tamposi replied if I may address that it is Parks & Recreation land and I understand that the Committee listens to their recommendations but the Committee also has a choice over that. All we are seeking to do is square up what is effectively a large sort of semi-rectangular piece with this tiny little portion that is in Mr. Exline's backyard. I submit that it has no use for the Parks & Recreation Department at all. I understand that Parks & Recreation is interested in holding on to all of their property in the long run but this parcel does nothing but hinge on Mr. Exline's ability to expand his property. He bought this with his fiancée hoping to put his family there and put an addition on it. In fact he hired an engineer to do the addition and it was the engineer who learned there was a problem with the lot line. So it is really I think a small parcel that doesn't effect the City's property at all but it means a lot to Mr. Exline who, as I said, has spent a lot of time and money trying to remedy the situation.

Chairman Thibault called for a vote on the motion to receive and file. The motion carried with Alderman Gatsas being duly recorded in opposition.

Chairman Thibault addressed Item 8 of the agenda:

Communication from David Baughman seeking authorization for use of unused railroad tracks abutting 303 Belmont Street for the purpose of additional tenant and visitor parking and storage of snow.

On motion of Alderman Osborne, duly seconded by Alderman Porter it was voted to put this item on the table with the other railroad land requests.

TABLED ITEMS

On motion of Alderman Osborne, duly seconded by Alderman Porter it was voted to remove items 9-12 from the table.

9. Land between Valley and Grove Streets previously owned by B&M Railroad.

10. Land at Belmont/Valley/Grove Streets formerly owned by B&M Railroad.
11. Land at Maple/Somerville Streets formerly owned by B&M Railroad.
12. Communication from Greg Grace, Vice President of PMC Wire requesting access to their plant from Valley Street, which would require crossing the former Portsmouth Branch rail corridor.

Alderman Osborne moved to accept the railroad right-of-way policy that doesn't require that a fee be paid for a revocable license. Alderman Porter duly seconded the motion.

Alderman Osborne asked would you like an explanation Mr. Chairman.

Alderman Gatsas asked is Traffic or Highway here.

Chairman Thibault answered no.

Alderman Gatsas stated I don't know if anybody has driven up and down Valley Street looking at some of these exits but you are talking about some serious traffic problems on Valley Street from going in and out of places and I don't know how that affects the traffic.

Chairman Thibault stated there is only one and I know that Highway is in favor of it.

Alderman Gatsas replied there is already one that has been done and it didn't come to this Committee so I guess my question is how did that happen.

Alderman Osborne responded I guess that would be up to the Building Department to check out. We can't watch everything.

Alderman Gatsas stated I certainly want some input from Highway or Traffic as to what this is going to do. It is between two traffic lights on a pretty active street.

Alderman Osborne asked which one are you referring to.

Alderman Gatsas responded I am referring to a couple of them there.

Chairman Thibault asked can we pass the rest of them and hold those two on the table.

Mr. Borek stated I just remember reviewing this afternoon with Frank Thomas the PMC Wire access. He indicated to me at least that he is not opposed to that. In fact, that would remove truck traffic from a residential street on the opposite end where they have their main entrance to a safer mode of ingress and egress. That is just what he said to me.

Chairman Thibault stated I have been told that they are talking about five or six trucks a day that may enter there. It is not a big deal but it takes them off of the residential street.

Alderman Roy stated I have a question for the Chair, the Solicitor or one of my colleagues. So the proposal we are looking to, is that the one that includes an annual fee, a non-refundable fee for a non-revocable license or no annual fee.

Alderman Osborne responded no annual fee.

Alderman Roy stated as I have said before we are talking about a considerable amount of very valuable real estate and if people buy property that they pay taxes on in the City just because they have a railroad track next to them that may some day become a trail should not give them free access to City owned property. I fully believe that the amount of revenue that can be created by the willingness of people to pay equal to what they pay in property tax on abutting railroad land will help us pay for the rails to trails program and help us offset some tax increases and is the proper thing to do. I would support the policy that has Section 9 "If the Board of Mayor and Aldermen votes to allow the proposed use, the applicant shall pay an annual non-refundable fee for the revocable license issued by the City equal to the real estate taxes the applicant would pay if the applicant owned the property." I think that is the fairest way to do it. We have an Assessing Department that put the per square foot price on every one of those abutting properties. We should not just be putting this revenue source out without any real look at what that revenue could be. Obviously this is desirable land. We have four or five of these in front of us now. If people are desiring them then like any other property they should be willing to pay a fair tax to the City.

Alderman Osborne stated first of all I think you are going to find that there are a few out there now, true, that are commercial businesses and they want to use them for a driveway or parking or whatever it might be. I think, however, that you will find most of that railroad track is in residential areas and I don't think anybody in a residential area is going to pay the City money to beautify the property. That is not going to happen. There are very few that you have that want this property for other reasons, whether it might be for other reasons like a used car lot or something else. That is probably making money in a sense but in order to do this you have to police this type of thing and we would have to hire somebody. I think

it would be more of a can of worms than anything else. I think the best way to get this beautified or to get it cleaned up like a couple of them have already done, is to just let it be. Of course they have to go by the policy here. There are a lot of things they can't do like fences and so on and so forth and I think you will find it a lot better this way than the other. You are not going to make a lot of money there because there are not a lot of railroad tracks that are on commercial property.

Chairman Thibault called for a vote on the motion to accept the railroad right-of-way policy that doesn't require that a fee be paid for a revocable license. The motion carried with Aldermen Roy and Gatsas being duly recorded in opposition.

13. Communication from Attorney Michael Kasten, on behalf of Steve and Anna Saco, proposing to enter into a Boundary Line Agreement with the City for property located at West Shore Avenue and Bodwell Road abutting Crystal Lake.

This item remained on the table.

14. Discussion of area for dog park.

This item remained on the table.

15. Communication from Robert MacKenzie, Director of Planning, relative to the Blacksmith Shop on Second Street.

This item remained on the table.

16. Communication from Russel Johnson, PSNH, seeking authorization to place a padmount transformer and cement slab (8' x 8') and situated approximately 5 feet from the back of the Visitors Center at Veterans Park.

This item remained on the table.

17. Communication from Gerald Hebert, Sr., requesting to purchase Lots 246-3, 6 & 7 on Page Street between London and Bridge Streets.

This item remained on the table.

There being no further business, on motion of Alderman Porter, duly seconded by Alderman Osborne it was voted to adjourn.

A True Record. Attest.

Clerk of Committee